

United States Senate
WASHINGTON, DC 20510-0606

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February 15, 2007

The Honorable James Simpson
Administrator
Federal Transit Administration
400 Seventh Street SW
Washington, DC 20590

Dear Administrator Simpson:

I am writing to recommend that the Federal Transit Administration use its FY07 New Starts funding to (1) provide \$106 million for the Southeast Corridor Light Rail Transit project (commonly known as T-REX) instead of the \$80 million called for in the President's FY07 Budget, and (2) provide \$35 million in funding for the West Corridor Light Rail Transit project (West Corridor), which is the amount called for in the President's FY07 Budget. There are a number of sound policy reasons for providing T-REX and West Corridor with these levels of funding in FY07.

First, and foremost, T-REX deserves funding because it has been a tremendously successful project that has opened on time and under budget. As you know, T-REX opened for revenue operations in November 2006, and FY08 is scheduled to be the final year of the Full Funding Grant Agreement for this project. Over the first few years of the project, T-REX received federal funding that was \$26 million less than the terms of its Full Funding Grant Agreement. The FTA's commitment to fund T-REX on time should match the project sponsor's commitment in staying on time and on budget.

Second, there is a significant policy benefit to FTA funding T-REX's prior shortfall through FY07 funding. The FTA's actions would rightly be interpreted as a reward for a project that successfully adhered to its construction schedule and budget. The FTA's actions in turn might spur renewed efforts by other projects nationwide to implement a plan to stay on schedule and budget for their own transit projects. In fact, if the FTA's funding commitment won't keep pace with a project that is completed on time and under budget, it undercuts FTA's role in the entire process.

Third, providing the \$26 million in catch-up funding for T-REX will help the FTA in FY08, when the agency may have much less discretion in determining how to spend New Starts funding. The \$26 million must be provided to T-REX in FY07 or FY08 to close out the FFGA and if the money comes in FY07, the FTA will find itself better able to handle other project funding needs in FY08.

Finally, completion of the FY07 Joint Resolution leaves the FTA with unprecedented discretion in distributing New Starts funding. It is clear that, after fully funding all of the projects outlined in the President's FY07 budget, the FTA will have enough money and flexibility in FY07 to decide between providing "catch-up" funding for projects like T-REX or providing additional funding to projects that are much earlier in the development cycle. It is a much better use of scarce resources to shift funding to projects nearing completion in FY07 than it is to pour that money into projects that have not entered into an FFGA or are in the initial years of such an agreement.

Regarding the West Corridor funding for FY07, the President's Budget included \$35 million for this project. Both the House and Senate FY07 TTHUD Appropriations bills included \$35 million in funding for the West Corridor. It would be extremely disappointing if the FTA failed to honor the President's Budget request, especially when both chambers of Congress had indicated this was the appropriate level of funding for the project in FY07.

The T-REX success story is also the FTA's success and it is appropriate for the agency to use its discretionary funding in FY07 to correct the \$26 million shortfall to date in federal funding. It also is appropriate for the FTA to execute the wishes of the President and the Congress by providing \$35 million in FY07 for the West Corridor LRT project.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in blue ink that reads "Wayne Allard". The signature is fluid and cursive, with the first name "Wayne" and last name "Allard" clearly distinguishable.

Wayne Allard
United States Senator